
Introduction to Volume 5

An overpayment occurs when the student receives more aid than he or she was eligible to receive. One kind of overpayment, traditionally called an overaward, results from changes in the student's aid package; a second occurs when a student withdraws. This volume covers how a school should respond when a student withdraws.

Here, we provide a summary of the changes and clarifications presented in greater detail in the chapters that follow. **Alone the text herein does not provide schools with the guidance needed to satisfactorily administer the Title IV HEA programs.** For more complete guidance, you should refer to the text in the chapters cited, the Code of Federal Regulations (CFR), and the Higher Education Assistance Act (HEA) as amended.

Throughout this volume, new information is indicated with the following symbol:



When the text represents a clarification rather than a change, it is indicated with:



When we believe that historically there might be some misunderstanding of a requirement, we indicate that with:



If we want to point out a bit of helpful information, we indicate it with:



Finally, if we want to draw your attention to something, we indicate it with:



Notes on Active Links

At the top of each page you will find links to Dear Colleague Letters, the Code of Federal Regulation, and the Federal Student Aid Glossary and Appendices.

[Glossary](#) [CFR](#) [DCL](#)

Major Changes

Chapter 1—Withdrawals and the Return of Title IV Funds

- ◆ We remind schools that they must include in the R2T4 calculation all forms of Title IV aid that were disbursed or that could have been disbursed, even if the student receives a full tuition refund.
- ◆ We remind schools that Tuition refunds following a student's withdrawal have no impact on the amount of Title IV Aid that the student has earned under a Return calculation.
- ◆ We have updated the example under *Prorating charges* because of recent changes to the Cash Management regulations.

Chapter 2—The Steps in A Return of Title IV Aid Calculation

- ◆ We clarify the withdrawal date for withdrawals without student notification and schools not required to take attendance by an outside entity.
- ◆ We remind schools that if a school cannot document attendance for a student who fails to complete a course the student must be treated as one who never began attendance for the payment period.
- ◆ We clarify that when a student enrolled in modules within a term drops all future courses on the last day of a completed module, the student is not considered a withdrawal, but a recalculation of the student's eligibility is required. In addition, we remind schools that if the student fails to begin classes in the next scheduled term, the school must adjust the loan period in COD.
- ◆ We clarify that if a student with an abbreviated loan period is enrolled in a non-term credit hour program or clock hour program in which the completion date of the period depends on the individual student's progress, the school has a choice in how it prorates the funds used in the calculation and loan and payment period end dates.